# The Inside of Bolshevism



## Addressed to Credit Men By FRANCES A. KELLOR

Address before
THE NEW YORK CREDIT MEN'S ASSOCIATION
Hotel Astor, New York City
January 27, 1920

### The Inside of Bolshevism

The representatives of The Inter-racial Council come before the New York City Credit Men's Association to ask you to consider one of the gravest economic problems of America in relation to its foreign born.

We need help to get out of the political fog in which Bol-

shevism is concealed.

The New York Assembly is forcing all men to think about Bolshevism. Its decision may alter the status of the Socialist Party, which acts through the ballot, with vital effects upon industrial output.

Secretary Wilson has decided that all alien members of the Communist party are violating the immigration law, and shall be deported. If America follows this ruling and proceeds only against aliens, leaving citizen members to go free, and continues the raids, the industrial morale of America will hang in the balance. The balance is a very delicate one even now.

The Anti-Sedition Bill, which nobody now wants to own, but which has had warm supporters, has already contributed its

share to disturbing production and to losing workmen.

Politically, as far as one can see into the fog, these activities if not directly intended to, will nevertheless, serve to check immigration and will cost America the bulk of its unskilled workmen.

Any man who believes that unseating the Socialist Assemblymen at Albany, or that the deportation of aliens, or that a new anti-sedition law, will eventually stem the tide of Bolshevism in America, is living in a fool's paradise.

These measures hold out no hope to the business man, struggling with a low output, high cost of production and a rapidly

disappearing labor supply.

Not one of these political measures touches the causes of Bolshevism nor attempts to do so; not one of them reckons the costs of them to business; or seems to care.

#### BOLSHEVISM AND ANARCHY

The inside of Bolshevism is economic. The main drive of Bolshevism is not against government. It is against capital. It aims to overthrow the control of management and to substitute the control of the workers. Shut off all propaganda that refers to the government, drive out the Communist party, and the situation is still unchanged.

Anarchy presents a clear issue. Laws can be framed and enforced and penalties can be imposed. Repressive measures and deportation will check direct attacks on government. All men will rally to defeat such attacks.

Bolshevism is a clouded issue, without legal definition in America. It has a wide field of operation. Its attack is upon the present economic order and not upon laws and government.

No laws can be framed to prevent discussions of the methods of capitalism, which do not endanger all free thought and speech.

Few penalties can be imposed to stop dangerous economic propaganda, which will not endanger American constitutional guarantees.

No raids or confiscation of literature or denunciation will prevent men from meeting and planning how to secure steadier work, more pay, better conditions or a share in management.

No laws can reach such instructions as these, which appeared recently in a publication in America and which demoralize production:

#### "WORK AS SLOWLY AS POSSIBLE

"Fellow workers! Thousands of members of your class are now in dirty, horrible prisons in anticipation of their trial or already sentenced for long terms to imprisonment. To many of the latter the sentences were issued on the basis of outrageous laws passed at the time when war was raging most furiously.

"Even the poorest reader of the daily press knows that of all nations participating in the great war not one treated so severely its political prisoners during the war period as the United States.

"These laws are being passed for the purpose of suppressing the so-called 'criminal organizations' and movements that exist among the workers.

"The purpose of such law-making must be clear to every class concious worker. In the eyes of the master class every act of the workers having a tendency to lessen the employers' profit is already criminal.

"The modern capitalist system exists on profit which is extracted from the labor of the workers. Therefore, every blow directed against the system of profit extracted from hired labor is a blow directed against capitalism.

"Will our fellow-workers be rotting in the horrible prisons built by the greedy capitalist class while we will continue to work and create profits in order to maintain these drunken parasites sitting on the neck of the workers? We answer this question 'No!' The

doors of the prisons must open.

"This aim we can accomplish only by applying our economic power. We can apply it by striking on the job, or by sporadic strikes, or by declaring a general strike. Past experience has proved that the first of the above mentioned means of action can be applied with great success. The strike on the job can be more simply explained in the following words: 'Work as slowly as possible.'"

"Why strike with comparatively small groups of workers at the time when the majority of them are working? The result of such form of action is that in the place of strikers either "scabs" step in or the work is done by organized workers of other branches. Do your work better than usual, but do not produce as much as before. Such form of action will result only in a general benefit to society.

"Workers, wake up and realize your power!

"Work as slowly as possible."

#### INTERNATIONAL CAUSES

The checking of anarchy is the business of government. The checking of Bolshevism is the business of industry. The sooner this country realizes this and divides the responsibility, and each group, the government and business, takes up its load, the sooner we shall get out of the fog of Bolshevism.

The intelligent international Bolshevist believes that if the cost of production can be made high enough in America, by strikes and disorder and loss of manpower, that the high prices of American goods here and abroad will lose the markets and will imperil the rule of American capital.

The national Bolshevist believes that if class hatred can be made bitter enough and if management and men can be kept apart, that the workingmen's personal grievances combined with high prices and loss of markets will bring about the collapse of capital.

The Bolshevist who draws the line at throwing a bomb, or who refuses to join in direct action or who does not denounce the government is forgiven. But there is no place in the Bolshevist creed for the member who gets together with capital to improve conditions. He is a traitor to the cause.

The remedies for Bolshevism are two-and they are inseparable.

The first is the establishment of credits in Europe. The

workingmen are starving and naked and unemployed. Bolshevism will thrive as long as this continues. Europe needs credit.

The second is an adequate supply of manpower in America. Workingmen in America are prosperous and soft and indifferent to the economic crisis. America needs men.

Solve the problem of how to get credits to Europe and immigrants to America, and the first big step is taken. Follow this with the stabilization of production by conserving and rewarding manpower fairly, and by stabilizing expenditure, and Bolshevism has met its economic conqueror.

The manpower situation in America is serious. It will soon be critical. America is 4,000,000 men short in its basic industries, and the exodus of foreigners has hardly begun.

As an illustration. One large employer said:

"I am taking out all of my display advertising of goods. Instead of trying to sell goods, and I am now putting the money into 'want ads' to get men to produce them"

Only the passport regulations, based upon conditions in Europe are holding immigrants in America, under conditions vitally affecting industrial morale. When a man's interest is in another country and he dreams of spending his savings and his future there and is hoping each day he can leave, the output of that workman and its quality is not likely to be very high.

Americans refuse to be disturbed by the probable loss of a million or more workmen. They think the American dollar will hold them against all odds. But times have changed with the war. All Europe is being recast and men who thought never again to see the home land are now planning to return. The manufacturer consoles himself in the belief that even if the immigrants do return, they will soon come back. Recently a few thousand Italians came to America. The newspapers immediately headlined them as immigrants who had gone from America and had already got tired of it and returned. As a matter of fact, an examination of the records of 6,000 of them showed them to be largely members of families of immigrants already here and the manpower value to be about twenty-five per cent. of a similar number of immigrants who had returned.

Irrespective of the immigrants actually going or coming at this time the fact remains that for the first time in its history, the movement of people is away from America. The credit of America with many millions of its foreign born residents is below that of their native countries.

Conversely it may be expected that the flow of immigration from Europe will be away from America to more favorable regions, when those returning have told their stories about America. Great Britain is now directing its immigration to its colonies. South America is offering unparalleled attractions for manpower. Canada continues to get men from both Europe and America in about equal numbers.

America has not yet reached that stage of its development where it is independent of immigration. It has just made its entrance as a world power into international markets. The amount of work to be performed by unskilled workmen is stupendous. The unskilled workman in America is the immigrant or the child of an immigrant. Immigrant manpower is the one indispensible, irreducible element required to stabilize and to increase production. Any doubt on this score may be settled by referring to the industrial distribution of foreign born workmen. In some of the basic industries the percentage of foreign born labor is seventy-five per cent.

#### BOLSHEVIST APPEAL TO IMMIGRANTS

The immigrant workman is the weakest point for the Bolshevist to attack in the American economic system, because he occupies a stragetic point in the production of raw materials and in manufactures.

The immigrant workman is therefore the objective of the Bolshevist propaganda. The propaganda proceeds on the theory that the immigrant is the worst paid and the worst housed; that his working conditions are hard and exploitation frequent; that he is illiterate and is isolated from American influences, and that being of an international mind and experience, and having his sympathies strongly with his home country, he will respond readily. The Bolshevist relies upon him to furnish the tonnage of the movement but the real management is entrusted to American brains and invention and not to foreign born oratorical agitators. Industrial injustice is the only agitator that America needs to fear and the propagandist uses this. Get conditions right and Bolshevism dies.

The weak and shortsighted way to deal with this situation is to check immigration and to deport aliens. It is politically popular but it is economically disastrous. The strong way is to punish criminals under American laws, and to repair our economic system of production so the Bolshevist cannot get through. The right way is to select future immigrants, and connect them with American life and institutions and give them a full opportunity in America.

What has happened to those countless thousands of ambitious men seeking a new home in America, that we now find so many of them going back to their own countries; or we find them enrolled in the Communist Party, or engaged in countless strikes and disorder?

What has happened to the immigrant who sold his household goods and said goodbye to everything that he held dear, and who with a few dollars and a great hope, braved the perils of the long journey, and the unknown new land? What has happened to the men who fought in the trenches and worked in the shops and bought Liberty Bonds and made other sacrifices to win the war?

#### IMMIGRANT SOLIDARITY

One is an old happening, and the other is a new one, and they are closely connected.

The old happening is that for many years America opened its doors to the immigrant and then left him to shift for himself. Americans thought a strong immigrant at work on an American job was an asset to which they need pay no attention. They forgot that a job is but one form of expression.

The immigrant, however, was not allowed to shift for himself. He was met by runners and porters and employment agents and bankers, and notary publics and land sharks and other self-interested people who, under the guise of Americanism, proceeded to exploit him and to rob him, and to teach him the unlovely side of American life. When he got to his destination he found the immigrant colony waiting for him and tasted the joys of overcrowding, discrimination and injustice that so often prevail there.

America has never had any plan or method or system and very little intention of seeing that the foreigner learned about America from Americans, or met Americans, or participated in American life. The result, generally speaking, is:

Men who have never met Americans and have failed to find anything but a job in American life, are going back home. Those not going back are solidified in their own racial

groups. There are over 500 nationalistic societies, with 42,000 locals, and practically every foreign born male belongs to these organizations, which is much more interested in foreign than in American affairs.

Those who have moved up from common labor into business are banded together. They read their own newspapers, which have a circulation of over 8,000,000 copies. They use their own racial banks, which number over 5,000, and they turn to their consuls and organizations for help and advice.

A cross section taken of any one of the 20,000 colonies or sections in which immigrants are concentrated in this country looks like this:

The immigrant does not attend the public school in any large numbers to learn English.

He uses his own bank.

He prefers his own racial notary public or lawyer.

He spends his wages in stores run by his countrymen.

He buys goods made in his home country whenever he can.

He gets his job from a fellow-countryman.

He sends his earnings home or invests them abroad.

He reads his own papers, and attends his own foreign language society meetings.

He lives in his own colony or group, and may be here a generation before he meets an American in a friendly way, when not at work

When he is sick his fraternal societies help him.

When he dies his own countrymen go to his funeral.

#### AMERICA'S OVERDRAFT TO EUROPE

The new happening is America's overdraft to the nations of Europe. American business men would be surprised if they knew what this is costing them in their shops today.

Fifteen million foreign born people and millions of the descendants of foreign born people in America have been suddenly thrown into the whirlpool of European affairs. They are naturally internationally minded and are being appealed to on all sides to help their friends and relatives at home, to settle political questions, to use their influence in boundary questions, to supply food and clothing, to promote credits and trade conditions.

Some of these people believe that their home countries today would be prosperous and orderly if America had been able to

perform what the officials promised to do.

Conditions abroad affect us here. The prevalence of Pogroms in Europe upsets the relationship of Jews and Poles in America and affects production and peace. Massacres of Armenians by Turks affects the morale and production of Armenians in America. Poles unable to send money, food and clothing to their starving families in Poland lay down their jobs and flood the seaports hoping to sail. Jugo-Slavs, unable to receive information about their families and friends, are listless and resentful. Italians, irritable under the dissensions at home, show a deterioration in industrial morale and revive racial antagonisms in America.

Immigrants are worried and dispirited by the news from home, or worse, no news from home. They are listless on the job, and unfriendly toward America. Their output is declining and they do not care. They have lost faith in America and many of them believe that working conditions abroad can be no worse than in America, and that they can use their savings to better advantage there than here. The foreign born workman sees that strikes and unrest are affecting his earnings; he sees his chances of earning money diminishing with the increased cost of living, and he would rather be with friends at home than with strangers here if the economic opportunities are anywhere nearly equal.

Every condition in Europe is reflected here, and affects the industrial situation. Industries pay the cost of America's inaction and lack of interest and sympathy in international

affairs, without knowing it.

#### ALIEN BAITING AND UNREST

Now add to the immigrant's sense of neglect during his stay here, and America's failure to help his own country, the alien baiting and repressive measures now sweeping the country, and we have all of the necessary ingredients, not of industrial revolution, but of industrial dissolution so far as common labor is concerned.

The saloon was closed in the mining towns before any substitute was provided. Attendance at the factory is more regular but there is not a corresponding increase in output. The absorption of these compulsory savings by high prices has not increased stability. On the contrary there is increasing restlessness.

There are pending in Washington more than a hundred bills that close the doors to the immigrant, that take away his language, his press, his associations and his opportunities to work. Men who fought with Americans are being denied the right to earn a living. The second report of the Provost Marshal General says:

"The great and inspiring revelation here has been that men of foreign and of native origin alike responded to the call to arms with a patriotic devotion that confounded the cynical plans of our arch enemy and surpassed our own highest expectations. No man can peruse the muster roll of one of our camps, or the casualty list from a battle-field in France, without realizing that America has fulfilled one of its highest

missions in breeding a spirit of common loyalty among all those who have shared the blessings of life on its free soil. No need to speculate how it has come about; the great fact is demonstrated that America makes Americans"

Since that was written, there has been an almost complete revulsion of feeling. The activities of a few hundred agitators has changed the opinion of the trenches. We are launched on a campaign of racial hatred, equalled only among the nations of Europe at feud with each other for territorial rights.

The immigrant feels himself to be the subject of contempt and meets with racial discrimination in the employment office, in the shop, on the street, at his meetings, and in his amusements. Add to this the pressure being brought to take away his own language, to repress his own views, and to lessen the respect from his fellowmen, and we have a situation where men do not care whether they work or not; and if they do, neither the quantity or the quality of their output matters.

The alien alone of the Communist Party is punished, which gives him a sense of injustice and of racial hatred by Americans. He is charged with the blame for strikes when in most instances he is the tonnage but not the leadership of them. The word alien has come to mean the same thing as "the Red" with many Americans, and in most headlines.

From 1820 to 1919, 33,200,000 aliens entered America. These immigrants have brought patriotism and power to this country. Much of its financial and industrial prestige is due to their work. Why should we believe that future immigrants will bring chaos to America? To close the doors for a period of years is a confession of fear and of failure, not justified by the past. Every alien deported is a confession that Americanism is a failure. It is an admission that American law and American courts are not sufficient to safeguard American institutions.

Bolshevism is an international danger. No country, no matter how isolated or powerful, can escape its dangers while it exists in others. Japan and China, long immune from Socialism, are permeated with it.

It is the business of all the allies to reduce jointly the sum total of Bolshevism, each in its own country and in the countries each rules. America plays its part selfishly when instead of punishing all anarchists alike under its own laws and in its own institutions, it adds to the overwhelming burdens of the old world, by setting these agents of anarchy loose to have

their way among peoples less able to control them. Practical, broad-gauge Americanism can find a better way of meeting the economic menace of Bolshevism than by political makeshifts,—abandoned like the pending anti-sedition laws as soon as they become unpopular.

#### THE EXODUS OF IMMIGRANTS

To stem the outgoing tide of immigrants which threatens our production is not an easy task. To have Americans realize the necessity of bringing in others to take their places is still more difficult. To stop the indiscriminate denunciation of the foreign born, which is reacting unfavorably upon production and which threatens to increase the serious shortage of labor, is in many quarters regarded as unpatriotic.

The immigrant cannot be kept in America by the crude methods of comparing American prosperity with European poverty; nor by teaching him English, nor by telling him about American institutions. The immigrant must be made to feel that America wants him and that he is to have a real opportunity, such as Europe now offers him. Americans must assist the immigrant to do the things he desires to do; like bringing over his family and sending relief home, and like helping him to buy his home country securities.

The causes of dissatisfaction must be removed in order to successfully compete with the attractions on the other side. Immigrants should be given more recognition, more oppor-

tunity, more respect and more consideration in America.

The remedies must be economic and practical and not sentimental and propagandist. Immigrants should be interested to deposit their savings here, to buy homes, to purchase American goods and to otherwise function in American economic life.

In spite of all that can be done, thousands of workmen will return. Do they go back as knockers of America to hurt American credit and sales and divert new manpower to other countries or urge it to stay at home; or do they return as salesmen of Americanism? Is it too late to make them boosters of America abroad?

The problem of inducing immigrants to remain here, contented and happy, and to be salesmen of Americanism, is the responsibility of business.

Every plant needs to make a racial analysis to see if everything is being done to retain its immigrant manpower and if the community is doing its duty and to stop the leaks in the plant or in the community which lets in Bolshevism.

The answer to Bolshevism among the foreign born is fair

treatment of the immigrant at work; a square man to man deal when he is off the job; cooperation of American institutions including banks—to help him to function economically in America; and a national governmental policy that deals with the fundamentals of the migrations of peoples and not with evils to be remedied which change from day to day.

There should be regulation of the foreign language press and this press itself is in favor of continuing a permit system under fair regulations. The conservative foreign language press is as desirous of being safeguarded from unjust attacks under some fair regulations as is America of being safeguarded from anarchistic publications.

The next few years will witness great migrations of peoples from all countries of the world—settling and resettling as conditions change and settle. America should have a policy to meet such a situation—broad and flexible.

There will be a most unstable labor market, and wide fluctuations in production costs. America cannot any more escape playing its part in this world stabilization of races and prices, than it could keep out of the war. It is simply a question of how intelligently it is to be done.

What is needed is a get-together of native and foreign born Americans to agree upon a policy and procedure, based upon economic conditions and industrial necessities, instead of haphazard political expedients to deal with disjoined evils that crop up from time to time.

#### NATIONAL REMEDIES

The remedy for the Inside of Bolshevism in America is a national policy to include a selective immigration law, which will give America the manpower it needs from approved sources, and admitted on fair standards. The basis of selection should reduce deportations to a minimum. The ratio of deportations to admissions is the certification of the success or failure of Americanism.

Indispensible to this law, is provision for a system of receiving, distribution and assimilating immigrants which will give America the citizens it needs. This means meeting them at the port of entry, connecting them with Americans and American institutions at the start and keeping in touch with them until they learn English, become prosperous citizens—or go back home. The necessity of providing for such a system to meet all incoming immigration is of the gravest importance, as immigrants will come from countries where Bolshevist propaganda is making its way.

There is not even the beginning of such a national policy in America. Arriving immigrants are left to the activities of their racial Bolshevist friends and they meet with experiences and conditions which make them friendly to their propaganda.

A change in attitude from alien baiting to alien justice is needed, by which all men in America can feel they are getting a square deal. This should be expressed in laws, in work and in personal contacts.

A concerted effort by organized industry to remedy every plant condition that furnishes a loophole for Bolshevism, and the publication of the truth about industrial organization, operation and management, so workmen can get authentic first-hand information and not mutilated reports is the specific answer to Bolshevism.

These remedies will fail internationally unless a leader is elected who will redeem the war drafts given by America to the world and to American industries. The business problems before America transcend all other matters and are of such grave importance to the world and to itself that no party platform can adequately define them.

America has performed one war and one peace duty without stand manpower throughout the world.

Here is where the Credit Men can help, by insisting that manpower be added to character and capital and capacity as a credit risk or asset.

It is just as important for Credit Men to know what the rate of labor turnover is. If it is above a certain percentage it is a risk and adds to the cost of production and decreases reserves for improvement and expansion. It is important to know the rate of accidents and their cost to a plant. These and similar questions will increasingly become involved in the grants of loans and credits as manpower and its management transcend in complexity and importance materials and machine processes.

The conserving of manpower and its management may well be one of the responsibilities of Credit Men, and their contribution to stabilizing labor and checking Bolshevism is a peculiar economic one which no other organization can meet. It is a subject well worthy of the consideration of the National Credit Men's Association when it meets to outline its full service for American stability and prosperity. THE INSIDE OF BOLSHEVISM IS ECONOMIC. CHECK-ING IT IS THE RESPONSIBILITY OF BUSINESS, NOT OF GOVERNMENT. THE REMEDIES ARE TWO-EUROPE NEEDS CREDIT: AMERICA NEEDS MEN. IMMIGRANTS ARE CREATING MINIATURE REPUBLICS IN AMERICA OR ARE GOING BACK HOME. AMERICANIZATION IS

PRODUCTION IS TWENTY PER CENT. LOWER AND THE COST IS HIGHER. THE OUTSIDE OF BOLSHEVISM IS SELECTIVE IMMIGRATION WITH A NATIONAL POLICY TO ASSIMILATE IT. THE INSIDE OF BOLSHEVISM IS BULWARKING AGAINST ECO-

WANING.

NOMIC DISSOLUTION.